

# KPM HOLDING LIMITED

## 吉輝控股有限公司\*

Incorporated in the Cayman Islands with limited liability

Stock Code: 8027

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT **2021**

\* For identification purpose only

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ABOUT THE GROUP

KPM Holding Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) is principally engaged in the design, fabrication, installation and maintenance of signage and related products and the business of provision of fitting-out and renovation services for commercial premises and residential developments.

Our competitive strength is the ability to provide timely and reliable products and services. Over the years, our solid track record and experienced management team have established an excellent reputation within the industry. The table below shows the operating locations in Singapore and Hong Kong.

<b>Singapore</b>	<b>Head Office and Principal Place of Business</b> 14 Loyang Way 4, Singapore 507601
<b>Hong Kong</b>	<b>Principal Place of Business in Hong Kong Registered under Part 16 of The Companies Ordinance (Cap 622)</b> Unit 1104A, 11/F, Kai Tak Commercial Building, 317-319 Des Voeux Road, Central, Hong Kong

The corporate objectives of the Group are to achieve sustainable growth in its business and financial performance, through actively expand and strengthen its market position of signage business within the public and private sectors in Singapore, and through the expansion and operation of the business of provision of fitting-out and renovation services for commercial premises and residential developments.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ABOUT THIS REPORT

The Group is pleased to present its Environmental, Social and Governance (“ESG”) Report (the “Report”) for the year ended 31 December 2021 (the “Reporting Period”). This Report provides an annual update of the Group’s sustainability performance, achievements and challenges over the year. Unless otherwise indicated, the Report covers KPM Holding Limited and its subsidiaries operating in Singapore and Hong Kong. Apart from the signage business, the reporting scope of the Report also covers the renovation business.

### Reporting Principles

The Report is prepared in accordance with Appendix 20 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited. According to the guidelines, the following principles are underpinned:

1. **Materiality:** ESG issues that have major impacts on investors and other stakeholders must be set out in this Report.
2. **Quantitative:** If the key performance indicators (“KPIs”) have been established, they must be measurable and applicable to valid comparisons under appropriate conditions. They must also be able to describe the purpose and impacts of quantitative information.
3. **Balance:** This Report must provide an unbiased picture of the ESG performance of the Group. It should avoid selecting, omitting, or presenting formats that may inappropriately influence a decision or judgment by the reader.
4. **Consistency:** This Report should use consistent methodologies to allow meaningful comparisons of related data over time. Any changes to the methods used must be specified in the Report.

### Confirmation

The information documented in this Report is sourced from official documents, statistical data, management and operation of information collected from the Group in accordance with relevant internal policies. The Group has established internal controls and a formal review process to ensure that any information presented in this report is as accurate and reliable as possible.

### Feedback

The Group discloses the latest business information regularly to investors and the public through our website: [www.kpmholding.com](http://www.kpmholding.com). We also welcome investors and shareholders to write to the Group or send their enquiries to our website and share their views with the board (the “Board”) of directors of the Company.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ESG GOVERNANCE

The Board formulates the Group's ESG strategies which are then executed by the executive directors and senior management. The executive directors and senior management are responsible for reviewing and monitoring the Group's ESG policies and practices to collaboratively discuss with external professional consultants regularly to ensure compliance with relevant legal and regulatory requirements. The consumption of water resources and energy, such as electricity, diesel and petrol, will be carefully monitored monthly to see if any abnormal high usage in particular month(s). The executive directors and senior management also respond to the latest ESG issues, report to the Board on major issues and make relevant recommendations to enhance the Group's ESG performance.

The Board assumes the ultimate responsibility for overseeing the ESG affairs of the Group and supervising the execution of the Group's policies in promoting sound ESG practices. The Board reviews the Group's ESG report annually, where they discuss the key risks and make recommendations for the coming year. Thereafter, the executive directors and senior management report the assessment results of the key risks and the execution progress of the recommendations at regular Board meetings.

### STAKEHOLDER ENGAGEMENT

As part of the business strategies, the Group communicates with its stakeholders in an open, honest and proactive way. Our major stakeholder groups include shareholders and investors, clients, suppliers, employees and government departments, such as the National Environment Agency (NEA), Singapore. NEA will send their officer to have regular/surprise visits to our factory. In hopes of fulfilling the environmental compliance of the Group, a manager will be assigned to walk around the factory with the NEA officer and exchange feedback.

To achieve this objective and improve transparency, we take measures to promote investor relations and communication. In addition, we have developed the investor relations policy to ensure that the investors have fair and timely access to the information of the Group. In order to further promote effective communication with investors, we arrange annual general meetings to provide opportunities for the shareholders to maintain communication with the Board, thereby allowing shareholders to clarify and deepen their understanding of the Group's performance and allowing the Group to communicate with shareholders and answer performance-related questions.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### MATERIALITY ASSESSMENT

Through conducting an internal materiality assessment, the Group has identified ESG issues which are sufficiently important to investors and other stakeholders by reviewing our business. In consideration of the “relevance” and “importance” of various ESG factors to our business, we have been able to prioritise the following aspects as the material focus of this report:

Aspect	Material focus
Aspect A2: Use of Resources	<ul style="list-style-type: none"> <li>Efficient use of raw materials</li> </ul>
Aspect B1: Employment	<ul style="list-style-type: none"> <li>Employee welfare</li> <li>Inclusion and equal opportunities</li> <li>Talent attraction and retention</li> </ul>
Aspect B2: Health and Safety	<ul style="list-style-type: none"> <li>Occupational health and safety</li> </ul>
Aspect B4: Labour Standards	<ul style="list-style-type: none"> <li>Preventing child and forced labour</li> </ul>
Aspect B5: Supply Chain Management	<ul style="list-style-type: none"> <li>Supply chain management</li> </ul>
Aspect B6: Product Responsibility	<ul style="list-style-type: none"> <li>Protection of intellectual property rights</li> <li>Customer satisfaction</li> <li>Customer privacy</li> </ul>
Aspect B7: Anti-corruption	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Anti-corruption</li> </ul>



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ENVIRONMENTAL ASPECTS

#### EMISSIONS

The Group is engaged in the selling of signage and related products and fitting-out and renovation work, we do not have significant emission discharges into water, land, and air such as nitrogen oxides, sulphur oxides and respiratory suspended particles. In addition, we do not produce a significant volume of hazardous waste from our business process. The major emissions of the Group are the greenhouse gases emissions and solid non-hazardous wastes generated from our operations.

In addition, during the reporting period, the National Environment Agency regularly sent officers for uninformed inspection of our production activities in Singapore. Their comments illustrated that emissions generated from our production of signage and related products are immaterial. Therefore, emissions are immaterial regarding the Group's operations. During the Reporting Period, the Group did not have material non-compliance with the environmental protection laws and regulations that had a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes, in both Singapore and Hong Kong.

The Group implemented a number of measures to reduce emissions in order to alleviate the impacts on the environment. The Group also encourages employees to maximise the use of electronic communication equipment and carry out general discussions and communications through long-distance telephone calls, video conferencing, or other online communication tools in order to reduce or replace non-essential business trips, therefore decreasing the pollutants emitted by the use of transportation.

#### ***Air and Greenhouse Gas Emissions***

The major source of air and greenhouse gas emissions from our business originates from the fuel consumption of company cars and vans directly (Scope 1 emissions). The energy consumption in regard to the purchased electricity used in offices and daily operations also contributed to the indirect emission of greenhouse gas (Scope 2 emissions). Scope 3 emissions refer to the other indirect emissions, including the emissions generated from the paper waste disposed at landfills.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The total amount of greenhouse gas generated by the Group during the Reporting Period was 209.7 tonnes of carbon dioxide-equivalent, with an intensity of 11.3 tonnes carbon dioxide-equivalent per million revenue in Singapore dollars ("SGD"). Compared to 2020, the fitting-out and renovation business in Hong Kong generated new revenue stream to the Group. The considerable decrease of greenhouse gas intensity in 2021 was due to business growth. The Group will continue to evaluate its performance in environmental protection and reduce its emissions.

	2021	2020	Unit
<b>Air emissions<sup>1</sup></b>			
Nitrogen oxides (NO <sub>x</sub> )	341.2	279.9	kg
Sulphur oxides (SO <sub>x</sub> )	0.0	0.0	kg
Respirable suspended particles (RSP)	0.0	0.0	kg
<b>Greenhouse gas emissions<sup>2</sup></b>			
Scope 1 emissions	161.3	134.3	tonnes CO <sub>2</sub> -e
Scope 2 emissions	46.4	40.5	tonnes CO <sub>2</sub> -e
Scope 3 emissions	2.0	2.4	tonnes CO <sub>2</sub> -e
Total greenhouse gas emissions	209.7	177.2	tonnes CO <sub>2</sub> -e
Intensity (by revenue)	11.3	27.8	tonnes CO <sub>2</sub> -e/million SGD revenue

### Waste Management

The Group upholds the principles of waste management and is committed to the proper handling and disposal of all wastes from our business activities. We maintain a strong focus on minimising the waste we produce from our operations. We adopt the use of environmental-friendly materials in our products. In addition, we recycle and reuse scrap metal, cardboard and plastic generated from the production and sale of signage and related products. On the other hand, those resources that cannot be directly reused are transferred to qualified recyclers for recycling in an effort to minimise the amount of solid waste disposal. Due to our business nature, the Group did not generate a significant amount of hazardous or non-hazardous waste. During the Reporting Period, the Group was not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the generation of hazardous and non-hazardous waste.

<sup>1</sup> The emissions of air pollutants in 2020 were revised to align the calculation methodology onwards.

<sup>2</sup> The scope 3 emissions, total greenhouse gas emissions, and intensity of greenhouse gas of the Group in 2020 were revised to align the calculation methodology onwards.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### USE OF RESOURCES

The Group is committed to conserving resources for environmental and operating efficiency. To accomplish our commitment, we have implemented multiple measures in enhancing energy efficiency, minimising the use of papers, reducing water and energy consumption and driving behavioural changes in our employees. Nevertheless, for other resources consumed from our business activities, the Group upholds the principles of effective resource management and is committed to the proper use of all materials.

#### *Energy Consumption*

The Group has adopted a series of energy efficiency initiatives to reduce our energy consumption. To ensure the efficient use of energy resources, we take the rating of energy labels as one of our key considerations when purchasing electrical equipment. Switching to more energy-efficient appliance models and increasing the use of natural lighting are adopted. Energy-saving notices are also put on the wall and bulletin boards to remind our staff to switch off unused electrical devices and switch air-conditioning system to a more suitable temperature.

During the Reporting Period, the Group's total amount of energy consumption was 732.6 MWh-equivalent; and the energy consumption intensity was 39.5 MWh-equivalent per million revenue in Singapore dollars. The direct energy consumption includes the use of unleaded petrol and diesel by the company vehicles and the indirect energy consumption is the electricity consumption in offices. The details of energy consumption by type are shown in the below table.

<b>Direct and indirect energy consumption by type</b>	<b>2021</b>	<b>2020</b>	<b>Unit</b>
Direct energy consumption	<b>2,228.2</b>	1,953.8	GJ
Indirect energy consumption	<b>113.7</b>	99.1	MWh
Total energy consumption	<b>732.6</b>	641.8	MWh-e
Intensity (by revenue)	<b>39.5</b>	100.6	MWh-e/million SGD revenue

#### *Water Consumption*

Sustainable and responsible use of water resources is a key issue globally. We are aware that water shortages, excessive demand and usage could pose a serious problem. Due to our business nature, we do not use or discharge a significant amount of water. The Group does not have any water sourcing issues as the water is supplied by the municipal water network.

However, in order to raise awareness of water conservation, our Group promotes water-saving practices in the workplace. For instance, tips to conserve water are shared internally to raise awareness and encourage employees to reduce consumption. Reminders have been posted in the toilet and notice boards to also remind employees to save and use water more efficiently.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group's total amount of water consumption was 1,915.6 cubic meters (m<sup>3</sup>) with an intensity of approximately 103.3 cubic meters per million revenue in Singapore dollars. Since the Temporary living Quarters Scheme, which allows the workers to live and stay in the company's factory, ended on 31 March 2021, the water intensity in 2021 decreased by 18% compared to 2020.

<b>Water consumption in total and intensity</b>	<b>2021</b>	<b>2020</b>	<b>Unit</b>
Total water consumption	<b>1,915.6</b>	2,325.4	m <sup>3</sup>
Intensity (by revenue)	<b>103.3</b>	364.3	m <sup>3</sup> /million SGD revenue

### *Packaging Materials*

Given the Group focuses on the design, fabrication, installation and maintenance of signage and related products and fitting-out and renovation work, we do not use a significant amount of packaging materials for finished products.

## THE ENVIRONMENT AND NATURAL RESOURCES

With respect to our business nature and activities, the impact of the Group on the environment and natural resources is insignificant. Consumption of energy mainly stems from the use of electricity, water and papers in office areas. During the Reporting Period, we have stipulated a number of measures to reduce the use of resources and disposal of waste. With regard to the raw materials used in our products, our product designers seek to use environmentally friendly materials to reduce damage to the environment throughout the product lifecycle. Our selection criteria of suppliers and service providers also adopt various green initiatives, including the sense of responsibility for environmental protection, in addition to the delivery time and the quality of goods and services. To further reduce our paper consumption, where conditions are appropriate, the Group store its documents, records and archives in electronic files instead of paper.

We promote our green policy on environmental protection through notices on the wall and bulletin boards. In addition, we remind our employees to minimise waste generated from work and actively raise environmental awareness among them. We also encourage our employees to make full use of electronic means to communicate with customers and suppliers in hopes of further reducing the paper consumption of the Group.

We will continue to assess the environmental risks of our business, review the environmental practices and adopt preventive measures as necessary to reduce the risks and ensure compliance with relevant laws and regulations.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### CLIMATE CHANGE

The Group realizes that climate change has become a factor affecting the formulation of long-term planning. It brings about potential risks and disturbances to business operations. Align with our risk management policies, our senior management is delegated to identify, analyse, evaluate, respond, monitor and communicate risks related to climate change. After reviewing the current business, the Group identified its potential climate-related risks and opportunities as follows.

Risks	Description
Acute Physical Risk – Extreme Weather	The acute physical risks, which refer to the extreme weather conditions, may bring negative impacts and financial risks to our operation during the installation and maintenance of signage. The increase in severity and frequency of extreme weather events caused by global climate change, such as thunderstorms, will affect the safety and stability of signage, thereby increasing maintenance costs.
Transition Risk – Market Risk	The growing environmental awareness of consumers is forcing a transition to a more sustainable and environmentally-friendly lifestyle around the world. This may cause a change in customer preferences in the market which may pose threats to the Group’s business.
Transition Risk – Policy and Legal Risk	As the government in Singapore and Hong Kong may tighten the environmental regulation, the Group may face stricter regulatory requirements and harsher penalties for non-compliance in terms of energy consumption and emissions. Extra costs may be induced.

Although the climate-related risks above are insignificant, the Group is still committed to effectively managing physical and transition risks related to climate change and reducing its contribution to climate change.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### SOCIAL ASPECT

#### Employment and Labour Practices

##### **EMPLOYMENT**

###### *Talent Attraction and Retention*

Employees are important assets to our sustained development. The Group is constantly improving its employment mechanism. It adheres to the principle of fairness in providing promotion opportunities for outstanding employees. We review our employees' remuneration on an annual basis. We assess employees' performance and their contribution to the Group when reviewing their compensation and benefits, in order to reflect employees' contributions to the Group and enhance the employees' sense of belonging and sense of responsibility for the Group.

The Group establishes labour contracts in accordance with the law. We adopt a clear dismissal system, in which if either the employer or the employee terminates the contract during the period. Unless the contract is otherwise specified, appropriate compensation should be made to another party as stated in the contract. The amount of the compensation shall follow the terms and conditions of the contract.

###### *Employee Welfare*

Performance appraisal will be conducted with every employee by their immediate superior and/or management. The appraisal determines the employee's performance and suitability for promotion or increment. Salary increments and bonuses are based on employee's performance and the overall performance of the Group.

The Group as an employer contributes the portion for the Central Provident Fund (CPF) for eligible employees in Singapore and the Mandatory Provident Fund (MPF) for eligible employees in Hong Kong according to the prevailing rates set.

The Group also organises recreational activities from time to time, such as festival lunches, anniversary dinners and raffles, so as to facilitate communication among employees and to help colleagues balance the intense pressures of work.

If an employee, unfortunately, suffers work-related injuries or accidental death, the Group will provide compensation to the employee in accordance with particular local laws and regulations.

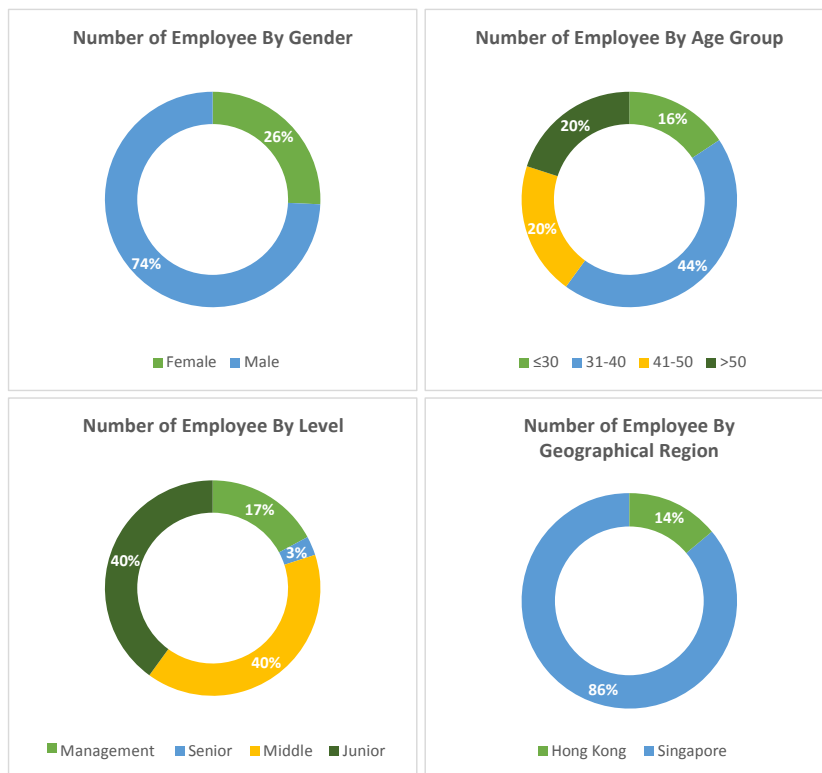
## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Inclusion and Equal Opportunities*

The Group adopts the practices and policies as governed by the Ministry of Manpower’s Employment Act and the Employment Ordinance and Sex Discrimination Ordinance of Hong Kong to ensure an equal and fair working environment. The Group provides equal opportunities for all regardless of their age, gender, race, sexual orientation, disability and marital status.

The Group upholds fairness in their recruitment process and our hiring criteria are built on the qualifications, abilities, experiences and technological skills of the applicants. Each applicant has equal rights to apply for a position and will not be affected by gender, pregnancy, family status, marital status, race, disability, etc. The Group’s existing employees come from different countries, including Singapore, Malaysia, China, India, Bangladesh and other places.

As at the end of the Reporting Period, the Group had a total of 70 employees which were all working full-time. In order to cooperate with the continuously growing business scale, together we acquire talents from different countries and backgrounds to join our globalised team. During the Reporting Period, the Group did not have any material non-compliance with the relevant laws and regulations in our employment and labour process, such as recruitment, dismissal, promotion and remuneration of employees.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ***OCCUPATIONAL HEALTH AND SAFETY***

In order to prevent the employees from work-related injuries, we stress particular attention to occupational health and safety in an effort to provide a safe and comfortable working environment for the employees.

We were awarded the certificate of compliance with ISO 45001: 2018. Following the standard, the Group has developed comprehensive occupational health and safety policies, as well as a series of target indicators and procedural documents designed to continuously identify potential risks in the workplace. We follow a systematic approach to executing occupational health and safety, specifically being:

1. Identify the hazards
2. Evaluate the risks
3. Determine the risk levels
4. Prepare action plans to eliminate or control the risks

The extensive risk procedures enabled us to prevent work accidents, observe local occupational health and safety regulations, as well as ensure continuous improvement in our occupational health and safety performances. We have established contingency plans and organise drills regularly. This can strengthen the employees' response to emergencies when there is a fire or injury. Moreover, we regularly hire qualified consultants to conduct checks on fire equipment.

In order to promote occupational health and safety among employees, we provide employees with sufficient training which focuses on occupational health and safety policies, risk management and practical safety knowledge. The supervisor would conduct a morning briefing on safety, work progress and work deployment for the day. In addition, we have formulated and published a set of workplace safety procedures which allows employees to familiarise themselves with the topic.

At the worksites, we prepare sufficient and suitable personal protective equipment, such as safety helmets, safety shoes, masks, earmuffs and gloves, etc, for employees. The Group also works closely with the contractors and suppliers to embrace the SGSecure movement. The Group arranges annual hearing tests and physical examinations for employees who are exposed to noisy working conditions to further protect their health.

In case of accidents, detailed records are kept and properly filed. Causes of any accidents are carefully analysed to find areas for improvement, which serve to avoid similar incidents from happening again in the future.

In view of the Covid-19, employees are required to measure their temperature and wear medical masks during work. Employees are also required to conduct swab test every week.

In the past three years, including the Reporting Period, the Group did not identify any work-related fatalities. The Group did not identify any violations of laws and regulations in relation to the provision of a safe working environment and protecting employees from occupational hazards during the Reporting Period.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ***DEVELOPMENT AND TRAINING***

The Group acknowledges that training and development are essential for achieving a distinctive competitive edge for the Group and its employees. We spare no effort in providing resources and integrated support to improve talents and add value for our employees. A wide range of training starts from their first day of work, where employees are provided with orientation activities. These orientation activities equip them with necessary information about the Group's policies and culture. We believe the comprehensive orientation activities will facilitate the new employees to integrate into the Group and thereby nurture a sense of belonging.

Continuing education is also highly encouraged by the Group. In order to achieve operational excellence and equip employees with the necessary skills and competencies, department managers will identify any training needs for their subordinates, as well as formulate training programs frequently.

During the Reporting Period, apart from on-the-job training, the Group sponsored a total of 447 hours training programs of training for 27 staff.

### ***LABOUR STANDARDS***

The Group's labour standards primarily focus on conformity with local labour laws and regulations according to the Ministry of Manpower (Singapore) and Labour Department (Hong Kong). We prohibit any form of child and forced labour in any of our operations and production process. We have established a strict protocol for hiring, of which we screen candidates in accordance with the minimum age of their respective work locations.

The Group strictly complies with the Labour Laws of Singapore and Employment Ordinance of Hong Kong and provides the required labour protection, safety and health conditions to ensure employees' safety during their services. The Group has paid wages and salaries, benefits and compensations on schedule.

We never force employees to work overtime and all overtime decisions are voluntary. In accordance with the guidelines of Ministry of Manpower and Labour Department and the Group's compensation policy, we provide reasonable overtime pay to employees working overtime.

During the Reporting Period, there have been no cases of prosecution against the Group due to violation of any relevant labour laws and regulations including but not limited to the prevention of child and forced labour.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### OPERATING PRACTICES AND SOCIAL INVESTMENT

#### SUPPLY CHAIN MANAGEMENT

The Group's supply chain process was developed and implemented under a top-quality management system. We acknowledge the importance of selecting the best suppliers to safeguard its production process and therefore product quality. We have developed an evaluation and management program for the selection of suppliers. The criteria are based on factors such as price, delivery times and quality of goods. In addition, we rate our suppliers by using the supplier evaluation form for benchmarking. We consider those with an average rating of 3.0 or above (max: 5.0) as approved suppliers after review and approval from the management. Purchase orders to suppliers can only be submitted by manager-level employees and reimbursement can only be approved at a director's level unless it is under \$1,000, which is deemed immaterial.

During the Reporting Period, the Group awarded contracts to 166 suppliers for production activities. 92% of the suppliers are local suppliers in Singapore and Hong Kong. The purchasing department monitors and conducts an annual performance review of all suppliers through email and telephone. This ensures the performances of all qualified suppliers remain in line with the requirements of the Group.

#### PRODUCT RESPONSIBILITY

##### *Quality Assurance*

The Group is committed to product safety and adheres to the best practices around the world. In order to help drive the commitment throughout the organisation, all the Group's products are inspected prior to the delivery, so as to ensure that they fully comply with the relevant product specifications and customer requirements.

In relation to the quality control on raw materials, all materials used in our products are provided by qualified suppliers and the materials' specifications are re-inspected prior to formal use to ensure the effectiveness of the materials. The Group assigns dedicated employees to closely follow the progress of a project throughout the fabrication and construction process, to ensure that the raw materials and the construction process meet the requirements of the contracts and regulations. We monitor our subcontractors' level of technology and conduct quality testing according to stipulated plans to ensure that the products meet customer requirements. As for the public signage projects, we work closely with relevant government departments to go through joint inspections in accordance with strict government standards. The Group provides product warranties for up to 7 years based on different products' characteristics and the agreements we have with our customers, and we provide appropriate assistance to customers throughout the warranty period.





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ***Advertising***

The Group attaches great importance to the accuracy of the information in its product promotion strategies, to prevent customers from being misled before they make their purchase decisions. The Group arranges sufficient training for employees in sales and production departments. Hence, they are equipped with sufficient knowledge of the features and specifications of the Group's various products. We also urge our employees to convey accurate and fair product information to customers.

### ***Protection of Customer Privacy***

The project team takes the responsibility of reviewing requirements and regulations concerning the protection of personal privacy at our operating locations. Internal policies, such as the "Data Protection Agreement", "Internal Privacy Policy", "Code of Conduct for Handling and Processing of Third Party Personal Data" and "Disposal Policy for Personal Data", provide clear guidelines on handling the privacy data. The employees are required to preserve the confidentiality of information not available in the public domain as well as those obtained in the course of carrying out their duties. It is essential that employees should not make improper use of such information to the detriment of the Group's interest during and after the termination of the employment with the Group. In addition to strict compliance with relevant laws and regulations, we have established criteria for handling customer information and preserving customers' sensitive product design information to minimise the risk of customer information leakage.

### ***Protection of Intellectual Property Rights***

The Group is committed to compliance with relevant laws of intellectual property rights by valuing and protecting its intellectual properties through patent fees and periodic trademark renewals.

The Group has strictly complied with the laws and regulations related to product responsibility. During the Reporting Period, there have been no cases of prosecution against the Company due to violation of any product responsibility or privacy laws. There were no incidents of non-compliance with laws and regulations concerning breaches of customer privacy, loss of data, as well as the provision of products/services.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ANTI-CORRUPTION

The Group does not tolerate any form of corruption, fraud, money laundering, bribery and extortion in the course of its operations. All employees are required to strictly abide by the Prevention of Bribery Ordinance in their behaviour and are absolutely forbidden from committing any acts of bribery or accepting of bribes, such as gifts, entertainment and hospitality as subterfuge for bribery, etc. The Group also strictly complies with the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act.

As far as corporate governance is concerned, the Group's management regularly reviews regulations on the governance of publicly traded companies to ensure that all newly enacted requirements are implemented by the Group in a timely manner.

We have developed the whistle-blowing policy regarding conflicts of interest and allowing employees to report to the management if there is any direct or indirect conflict of interest between an employee and the business of the Group. The policy is implemented to promote responsible and secure whistle-blowing or complaint without fear of consequences.

The Group's service and purchasing agreements must, in principle, receive approval from the management before they are deemed valid. Any employee, material supplier, subcontractor, customer or other stakeholders who may have any concerns regarding the corporate governance of the Group or the ethics of the employees may file a complaint with the management. The management will then conduct a thorough investigation of all matters and take the necessary measures to plug loopholes in order to maintain the Group's integrity and reputation.

During the Reporting Period, no legal cases regarding corrupt practices were brought against the Group or its employees. The Group will examine the need of organizing anti-corruption training sessions in the following year.

### COMMUNITY INVESTMENT

The Group acknowledges a sustainable business is dependent on the stability and well-being of the community where it operates and regards improving the community's well-being as an important way to realise its value.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### SUMMARY OF KEY PERFORMANCE INDICATORS

Environmental Aspects	2021	2020	Unit
<b>Aspect A1: Emissions</b>			
<b>A1.1</b>	<b>The types of emissions and respective emissions data</b>		
	Nitrogen oxides (NO <sub>x</sub> )	341.2	279.9 kg
	Sulphur oxides (SO <sub>x</sub> )	0.0	0.0 kg
	Respirable suspended particles (RSP)	0.0	0.0 kg
<b>A1.2</b>	<b>Greenhouse gas emissions in total and intensity</b>		
	Scope 1 emissions	161.3	134.3 tonnes CO <sub>2</sub> -e
	Scope 2 emissions	46.4	40.5 tonnes CO <sub>2</sub> -e
	Scope 3 emissions	2.0	2.4 tonnes CO <sub>2</sub> -e
	Total greenhouse gas emissions	209.7	177.2 tonnes CO <sub>2</sub> -e
	Intensity (by revenue)	11.3	27.8 tonnes CO <sub>2</sub> -e/million SGD revenue
<b>Aspect A2: Use of Resources</b>			
<b>A2.1</b>	<b>Direct and/or indirect energy consumption by type</b>		
	Direct energy consumption	2,228.2	1,953.8 GJ
	Indirect energy consumption	113.7	99.1 MWh
	Total energy consumption	732.6	641.8 MWh-e
	Intensity (by revenue)	39.5	100.6 MWh-e/million SGD revenue
<b>A2.2</b>	<b>Water consumption in total and intensity</b>		
	Total water consumption	1,915.6	2,325.4 m <sup>3</sup>
	Intensity (by revenue)	103.3	364.3 m <sup>3</sup> /million SGD revenue

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Aspects		2021	2020
<b>Aspect B1: Employment</b>			
<b>B1.1</b>	<b>Total workforce</b>		
	Total number of employees	<b>70</b>	75
	By gender		
	Female	<b>18 (26%)</b>	16 (21%)
	Male	<b>52 (74%)</b>	59 (79%)
	By employment type		
	Full-time	<b>70 (100%)</b>	75 (100%)
	Part-time	<b>0 (0%)</b>	0 (0%)
	By age group		
	30 years old or below	<b>11 (16%)</b>	11 (15%)
	31-40 years old	<b>31 (44%)</b>	37 (49%)
	41-50 years old	<b>14 (20%)</b>	18 (24%)
	Over 50 years old	<b>14 (20%)</b>	9 (12%)
	By geographical region		
	Singapore	<b>60 (86%)</b>	70 (93%)
	Hong Kong	<b>10 (14%)</b>	5 (7%)
<b>B1.2</b>	<b>Employee turnover rate</b>		
	Total employee turnover (rate)	<b>17 (24%)</b>	12 (16.0%)
	By gender		
	Female	<b>1 (6%)</b>	1 (6.3%)
	Male	<b>16 (31%)</b>	11 (18.6%)
	By employment type		
	Full-time	<b>17 (24%)</b>	12 (16.0%)
	Part-time	–	–
	By age group		
	30 years old or below	<b>3 (27%)</b>	4 (36.4%)
	31-40 years old	<b>10 (32%)</b>	8 (21.6%)
	41-50 years old	<b>3 (21%)</b>	0 (0%)
	Over 50 years old	<b>1 (7%)</b>	0 (0%)
	By geographical region		
	Singapore	<b>17 (28%)</b>	12 (17.1%)
	Hong Kong	<b>0 (0%)</b>	0 (0%)

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Aspects		2021	2020
<b>Aspect B2: Health and Safety</b>			
<b>B2.1</b>	<b>Number (rate) of work-related fatalities</b>	<b>0 (0%)</b>	0 (0%)
<b>B2.2</b>	<b>Lost days due to work injury</b>	<b>108</b>	0
<b>Aspect B3: Development and Training</b>			
<b>B3.1</b>	<b>Number of trained employees</b>		
	Total number (rate) of trained employees	<b>27 (39%)</b>	22 (29%)
By gender	Female	<b>0 (0%)</b>	0 (0%)
	Male	<b>27 (100%)</b>	22 (100%)
By level	Management	<b>1 (4%)</b>	1 (5%)
	Senior	<b>0 (0%)</b>	1 (5%)
	Middle	<b>3 (11%)</b>	20 (90%)
	Junior	<b>23 (85%)</b>	0 (0%)
By function	Executive	<b>1 (4%)</b>	1 (5%)
	Technical	<b>0 (0%)</b>	0 (0%)
	Administrative	<b>0 (0%)</b>	0 (0%)
	Production	<b>26 (96%)</b>	21 (95%)
<b>B3.2</b>	<b>Average training hours completed</b>		
	Average training hours per employee	<b>6.4</b>	3.4
By gender	Female	<b>0</b>	0
	Male	<b>8.6</b>	4.4
By level	Management	<b>1.5</b>	2.5
	Senior	<b>0</b>	2.7
	Middle	<b>2.4</b>	6.2
	Junior	<b>12.9</b>	0
By function	Executive	<b>2.3</b>	3.1
	Technical	<b>0</b>	0
	Administrative	<b>0</b>	0
	Production	<b>11.9</b>	5.5

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Aspects		2021	2020
<b>Aspect B5: Supply Chain Management</b>			
<b>B5.1</b>	<b>Number of suppliers by geographical region</b>		
	Total number of suppliers	<b>166</b>	129
	By geographical region		
	Singapore	<b>153</b>	129
	Hong Kong	<b>8</b>	–
	China	<b>5</b>	–
<b>Aspect B6: Product Responsibility</b>			
<b>B6.1</b>	<b>Percentage of total products sold or shipped subject to recalls</b>	<b>0%</b>	–
<b>B6.2</b>	<b>Number of products and service-related complaints received</b>	<b>0</b>	–
<b>Aspect B7: Anti-corruption</b>			
<b>B7.1</b>	<b>Number of concluded legal cases regarding corrupt practices</b>	<b>0</b>	0